

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

In the era of globalization, the culinary business world is growing rapidly resulting in increasingly fierce business competition. This can be seen through the many types of new businesses engaged in the culinary business. The culinary business is one of the business opportunities that have the potential to generate profits because as long as humans still need food and drink to live and as a source of energy to carry out various activities so the human need for culinary products will never stop. The state of the culinary business world is changing so fast along with changes in consumer tastes and changes in the surrounding environment. One of the most important things that companies should do to succeed in business competition is to build a company strategy to achieve the goal of increasing and retaining consumers. This situation results in the creation of competition between companies that produce similar goods. Therefore, every company must strive to produce goods and services that are in accordance with the needs and desires of consumers to achieve these goals.

Nowadays, one of the business sectors that is quite in demand for young entrepreneurs is the cafe business. The cafe business in Indonesia is one of the promising business sectors and can attract people's attention along with the lifestyle of today's society, especially teenagers and adults to enjoy various

products at cafes or just relax and spend time with relatives. In general, what visitors do when they come to a coffee shop is that they usually don't come specifically to enjoy food and drinks, but they tend to buy the concept of the atmosphere and facilities provided by the cafe.

Customer purchasing decisions begin with the desire to buy that arises because it is influenced by several sources of information such as family, friends, relatives, and others. Therefore, many factors can influence customers in doing a purchase. However, in this research, two factors will be analyzed about its influence in making purchase decisions which are the atmosphere of the place and the price offered by the café or restaurants. According to the research conducted by (Ramadhanti, 2017), the results show that there is a significant influence between store atmosphere and price on purchasing decisions. This shows that the better the store atmosphere and the prices given are in accordance with the benefits and quality of a product the customer purchasing decisions will also increase.

Store atmosphere can be an alternative to distinguish one cafe from another. Each store has a different appearance, whether it is clean, tidy, messy, luxurious, etc. An attractive and comfortable store atmosphere will affect the behavior of approaching consumers. On the other hand, a less attractive and less comfortable store atmosphere will affect consumer avoidance behavior. Therefore, a cafe or restaurant should try to provide a unique and comfortable store atmosphere that can keep up with the times to attract and retain consumer interest in making purchasing decisions.

Moreover, price is one of the sensitive factors for consumers because consumers always consider it when making purchasing decisions. So that, consumers will automatically compare prices offered by other similar products before consumers do a buying decision. Thus, companies must sell goods and services that consumers want at a reasonable price and commensurate with the quality of goods and services provided. Therefore, price is one of the factors that determine customer purchasing decisions.

ZAC Point Medan is one of the companies engaged in the culinary industry which has been established in 2018 where at that time was founded under the name ZAC Pizza. However, now it was called ZAC Point. ZAC Point Medan is a café with a semi-outdoor concept and the place is well decorated and suits the styles of young people. They offer several choices of Nusantara, Asian, and western food.

The table below will show the total number of customer who comes to ZAC Point Jalan S.Parman Medan from January until June 2021.

**Table 1.1 Total Number of Customer**

Month	Customer (2021)
January	948
February	1062
March	979
April	1106
May	1157
June	961

Source: Data Processed by the Writer (2021)

Based on the table above, shows that there was an increase in the number of customers from January to February which is from 948 people to 1062 people but, there was a decrease of customers in March to 979 people. However, in April and May there was an increase in the number of customers from the

previous month, namely in April as many as 1106 people and in May as many as 1157 people. Moreover, in June there was another decrease in the number of customers, which was 961 people.

Furthermore, based on the information found on google reviews, there are comments regarding this café such as the place being a bit hot and dusty because there is no air conditioner and located near side walk and busy street. Therefore, the place is loud because of the noise of the vehicles passing by on the street, and also seats are limited because the place for dine-in is a bit small or less spacious. Moreover, the price is more expensive than others. Meanwhile, based on the writer personal experience, the atmosphere of the place is a little bit hot and loud because it is located on the corner of the busy street and also the shop sign is not visible so it is a little hard to find it for the first time coming there. Besides that, the price is more expensive than other places that the writer ever visited and the portion is not worth the price. Thus, customer purchase decisions can be measured through store atmosphere and price even though there are still so many factors. However, store atmosphere and price can be one of the important things for the customer to decide to purchase because if the store atmosphere and price are good then the customer will not hesitate to purchase ZAC Point Jalan S.Parman Medan.

Therefore, in this case, the writer is interested in making a study to find out if the store atmosphere and price will influence the customer purchase decision. Moreover, the writer will write the research in the form of a final paper entitled **“THE INFLUENCE OF STORE ATMOSPHERE AND PRICE**

## **TOWARD CUSTOMER PURCHASE DECISION AT ZAC POINT JALAN S.PARMAN MEDAN”.**

### **1.2 Problem Limitation**

In order to the problem in the research is not too broad and can answer the existing problem, the writer determines limitations on this study to the store atmosphere as the first independent variable, price as the second independent variable, and customer purchase decision as to the dependent variable. Moreover, in this study, the store atmosphere indicator that can be used refers to the theory of Berman and Evan (Mandasari, 2020), which consists of the exterior, general interior, store layout, and interior displays. The indicator for measuring the price variable used in this study is according to Stanton (Lisdayanti, 2017). namely affordability of price, price compliance with product quality, price competitiveness, and price compliance with benefits. Furthermore, the writer uses the measurement indicator of purchasing decisions according to Kotler (Rohmawati, 2019), which consists of stability on a product, the habit of buying the product, giving recommendations to others, and making repeat purchases.

### **1.3 Problem Formulation**

Based on the background study above, the writer can take problem formulation as follow:

1. How is the store atmosphere implemented at ZAC Point Jalan S.Parman Medan?
2. How is price implemented at ZAC Point Jalan S.Parman Medan?
3. How is customer purchase decision implemented at ZAC Point Jalan S.Parman Medan?
4. Does the store atmosphere have any influence on customer purchase decisions at ZAC Point Jalan S.Parman Medan?
5. Does price have any influence on customer purchase decisions at ZAC Point Jalan S.Parman Medan?
6. Do store atmosphere and price have influence the customer purchase decision at ZAC Point Jalan S.Parman Medan?

#### **1.4 Objective of Research**

The purpose of this study is:

1. To find out the influence of store atmosphere on customer purchase decisions at ZAC Point Jalan S.Parman Medan.
2. To analyze the effect of price on customer purchase decisions at ZAC Point Jalan S.Parman Medan.
3. To analyze if the store atmosphere and price will influence the customer purchase decision at ZAC Point Jalan S.Parman Medan.

#### **1.5 The benefit of the Research**

The benefit of this research will be divided into two which are:

### **1.5.1 Theoretical Benefit**

The results of this study are expected to be used as additional information about the relationship between store atmosphere, price, and customer purchase decisions.

### **1.5.2 Practical Benefit**

#### **1. For Future Researchers**

The results of this study are expected to be used as a theoretical framework for further research on the impact of store atmosphere and price on the customer purchase decision.

#### **2. For ZAC Point Jalan S.Parman Medan**

This research is expected to provide research results that can be used as input and consideration for ZAC Point Jalan S.Parman Medan in making decisions for determining the steps that will be taken by the company in the future related to store atmosphere, price, and customer purchase decision.